

Wednesday, February 18, 2004

The Board met at its offices 450 N Street, Sacramento, at 9:32 a.m., with Ms. Migden, Chairwoman, Mr. Parrish, Vice Chairman, Mr. Leonard and Mr. Chiang present, Ms. Mandel present on behalf of Mr. Westly in accordance with Government Code section 7.9.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING

Michael Allen, 207677

1998, \$615.10 Claim for Refund

For Claimant:

James Allen, Representative

Michael Allen, Claimant

For Franchise Tax Board:

Christine Roloff, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether appellant has demonstrated error in the assessment of tax.

Whether appellant has demonstrated reasonable cause for abatement of the late filing penalty.

Whether appellant has demonstrated reasonable cause for abatement of the notice and demand penalty.

Whether the Board should impose a penalty for filing a frivolous appeal.

Action: The Board deferred consideration of this matter to later in the day.

Ms. Migden requested staff provide the policy for sending appeal summaries to taxpayers.

SPECIAL TAXES APPEALS HEARING

Raj Kumar Sharma, 104543

10-1-92 to 12-31-99, \$21,917.28 Fee, \$2,191.78 Failure to File Penalty

For Petitioner:

Raj Kumar Sharma, Taxpayer

Cynthia M. Cairnes, Office Manager

For Property and Special Taxes Department: Judy Nelson, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether petitioner is liable for the Underground Storage Tank Maintenance Fees assessed in the Notice of Determination.

Whether the applicable statute of limitations bars the Department's notice of determination.

Whether there is reasonable cause to abate the failure-to-pay penalty.

Action: Ms. Mandel moved to delete the failure to file penalty, otherwise redetermine as recommended by the Appeals Division. The motion was seconded by Mr. Parrish but no vote was taken.

Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Ms. Mandel requested staff to review procedures to ensure statements under penalty of perjury are obtained from taxpayers earlier in the administrative process.

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SALES AND USE TAX APPEALS HEARINGS

Edvin Yonan, 164038

7-1-96 to 12-31-98, \$3,592.36 Claim for Refund

For Claimant:

Edvin Yonan, Claimant

Michael S. Warda, Attorney

Benjamin R. Hetrick, Representative

For Sales and Use Tax Department:

Trecia Nienow, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether the evidence shows that the unreported amount for trade-ins represents nontaxable allowances for returned merchandise.

Action: The Board deferred consideration of this matter to later in the day.

Century Theatres, Inc., 182198

4-1-98 to 3-31-01, \$590,984.62 Tax

For Petitioner:

Charles Moll, Attorney

Mike Dittmann, Chief Financial Officer

For Sales and Use Tax Department:

Jeff Graybill, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether petitioner's popcorn sales are exempt.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

George Habib Ayad, 171573

7-1-98 to 9-30-00, \$10,890.00 Tax

For Petitioner:

George Ayad, Taxpayer

Maritza Qaqish, Enrolled Agent

For Sales and Use Tax Department:

Sharon Jarvis, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether petitioner has provided sufficient documentation to support that certain sales to Shamim and Terry Ritter (Ritters) were exempt sales in interstate or foreign commerce.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING

Michael Allen, 207677

1998, \$615.10 Claim for Refund

For Claimant:

James Allen, Representative

Michael Allen, Claimant

For Franchise Tax Board:

Christine Roloff, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether appellant has demonstrated error in the assessment of tax.

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Whether appellant has demonstrated reasonable cause for abatement of the late filing penalty.

Whether appellant has demonstrated reasonable cause for abatement of the notice and demand penalty.

Whether the Board should impose a penalty for filing a frivolous appeal.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the claim be submitted for decision.

SALES AND USE TAX APPEALS HEARINGS

Edvin Yonan, 164038

7-1-96 to 12-31-98, \$3,592.36 Claim for Refund

For Claimant:

Edvin Yonan, Claimant

Michael S. Warda, Attorney

Benjamin R. Hetrick, Representative

For Sales and Use Tax Department:

Trecia Nienow, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether the evidence shows that the unreported amount for trade-ins represents nontaxable allowances for returned merchandise.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board submitted the claim for refund for decision.

Ms. Migden requested staff to develop a procedure that has the taxpayer confirm in writing the accuracy of any statements made during an audit or appeals conference when the statement supports the audit adjustments.

Joginder Lal, 171773

4-1-98 to 12-31-00, \$18,229.82 Tax, \$00.00 Negligence Penalty

For Petitioner:

George Fakhouri, CPA

For Sales and Use Tax Department:

Kevin Hanks, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether the audited percentage of taxable merchandise purchases computed in the purchase segregation test is excessive.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Propeller Portable Computer Products, Inc., 158412

Action: The Board took no action.

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CHIEF COUNSEL MATTERS**LOCAL TAX ALLOCATION ITEM, BOARD MEMBER REQUEST****Business Taxes Adjudicatory**

Mr. Parrish made introductory remarks that the important issue in the case of Land's End, Inc., is of rewarding cities and encouraging cities in California to site revenue producing businesses and encourage business within California and not make it more difficult to do business in our State.

Speakers: Dean Andal, Director, State and Local Taxes, KPMG, requested the Board as a ministerial act to issue a seller permit to Land's End in Ontario and allow Land's End to start collecting sales tax revenue for California.

Land's End, Inc.

Action: Mr. Parrish moved to have the Executive Director take the following actions: 1) Withdraw the letters issued by the Legal Division with respect to this issue; 2) Issue a sales tax permit to Land's End for its Ontario office location; and, 3) Issue a letter to Land's End that confirms this conclusion. The motion was seconded by Mr. Leonard but no vote was taken.

Upon motion of Ms. Migden, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Chiang and Ms. Mandel voting yes, Mr. Parrish and Mr. Leonard voting no, the Board referred the issue to the Business Taxes Committee and directed staff to hold the first interested parties meeting in a month.

**FINAL ACTION ON CORPORATE FRANCHISE AND PERSONAL INCOME TAXES
HEARING HELD FEBRUARY 18, 2004**

Michael Allen, 207677

Final Action: Upon motion of Ms. Migden, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board and imposed a \$1,000.00 frivolously appeal penalty.

**FINAL ACTION ON SPECIAL TAXES APPEALS HEARING HELD FEBRUARY 18,
2004**

Raj Kumar Sharma, 104543

Final Action: Upon motion of Ms. Migden, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the penalty be deleted, otherwise redetermined as recommended by the Appeals Division.

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**FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD
FEBRUARY 18, 2004**

Edvin Yonan, 164038

Final Action: Mr. Parrish moved to grant the claim. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Ms. Mandel voting no.

Upon motion of Ms. Mandel, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Chiang and Ms. Mandel voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the claim be redetermined as recommended by the Appeals Division.

Century Theatres, Inc., 182198

Final Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and duly carried, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden voting no, Mr. Parrish abstaining, the Board ordered that the petition be redetermined as recommended by the Appeals Division.¹

George Habib Ayad, 171573

Final Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

SALES AND USE TAX APPEALS HEARING

American Photo Booths, Inc., 119164

4-1-97 to 2-19-99, \$112,733.68 Tax, \$12,837.57 Negligence Penalty

For Petitioner: Appearance Waived

For Sales and Use Tax Department: Randy Ferris, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether petitioner incurred use tax on its use of fixed assets the Sales and Use Tax Department found petitioner purchased for use in California and used here.

Whether petitioner was negligent.

Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

**FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD
FEBRUARY 18, 2004**

Century Theatres, Inc., 182198

Final Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered to reconsider its prior vote.

¹ The Board reconsidered this matter later in the day.

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Upon motion of Ms. Mandel, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Mr. Parrish abstaining, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Joginder Lal, 171773

Final Action: Upon motion of Ms. Migden, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 11:45 a.m. and reconvened immediately in closed session with Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel present.

CLOSED SESSION

The Board met to discuss pending litigation, settlements (Revenue and Taxation Code sections 7093.5, 30459.1 and 50156.11) and personnel matters (Govt. Code § 11126 (a)).

The Board recessed at 12:15 p.m. and reconvened immediately in open session with Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel present.

Timothy Boyer, Interim Executive Director, announced the appointments of Ramon Hirsig to the position of Executive Director and Carol Fieldhouse to the position of Chief, Technology Services Division.

The Board recessed at 12:16 p.m. and reconvened at 1:40 p.m. with Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel present.

PUBLIC HEARING

Property Taxes – State Assessee Presentations on Capitalization Rates & Other Factors Affecting Values

Stanley Siu, Principal Property Appraiser, Valuation Division, Property and Special Taxes Department, made introductory remarks stating that the Board will hear: 1) state assessee's presentations on capitalization rates and other factors and procedures affecting 2004-05 values of California state-assessed public utilities and railroads; and, 2) private railroad car assessee's presentations on factors and procedures affecting 2004-05 taxable values of private railroad cars.

Speakers: Peter Michaels, Various State Assessee's, spoke and provided a list of represented parties (Exhibit 2.1).
Dave Elder, Consultant, City of Long Beach, spoke and provided miscellaneous documents (Exhibit 2.2).

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Debbie Pellegrini, Chief of Board Proceedings Division, entered into the record the following exhibits: Letter from Stephen O. Padilla, Chula Vista City Mayor (Exhibit 2.3), and Letter from Glenn Bridges, Property Tax Manager, Edison (Exhibit 2.4).

Exhibits to these minutes are incorporated by reference.

LEGAL APPEALS MATTERS, CONSENT

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board made the following orders:

Michael Wayne Austin, Cynthia Gail Austin, Joanne Lovell Austin, and Oron Loris Austin, 88432, 135313

1-1-97 to 1-8-98, \$2,371.00 Tax, \$237.10 Penalty

Action: Deny the petition for rehearing as recommended by the Appeals Division.

Gerald R. Flaherty, 197088, 197092

1-1-00 to 3-31-00, \$208.80 Tax

1-1-00 to 3-31-00, \$64.26 Tax

Action: Redetermine as recommended by the Appeals Division.

Simplimatic Engineering Company, 56080

7-1-95 to 6-30-98, \$133,996.92 Tax

Action: Redetermine as recommended by the Appeals Division.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board made the following orders:

Air Cap, LLC, 197561

1998, \$326.71 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Jason C. Baron, 203446

1999, \$17,414.00 Tax, \$4,353.50 Late Filing Penalty, \$5,796.75 Notice and Demand Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$750.00 frivolous appeal penalty.

Robert Bow, 219466

2000, \$1,237.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

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Chris Maala Dingle, 220024

2001, \$1,288.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

James D. and Kimberly L. DuBois, 219057

1997, \$1.00 or more Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Huy Hoang, 220756

2001, \$977.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Nancy E. van Klaveren, 219862

1993, \$1.00 or more Assessment

Action: Sustain the action of the Franchise Tax Board.

Lewis E. Malin, 222778

1993, \$761.34 Assessment

Action: Sustain the action of the Franchise Tax Board.

Mitsubishi Electric America, Inc. & Subsidiaries, 207902

1990, \$31,906.00 Claim for Refund

1994, \$175,683.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

New Millennium Capital, Ltd., 217303

1999, \$293.49 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

NorCal Investors, LLC, 207199

2001, \$4,505.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Ronald Lynn Pickern, SR., 217483

1999, \$1,724.36 Claim for Refund

Action: Modified the action of the Franchise Tax Board.

Steven A. Rosenthal, 222797

1986, \$185.25 Assessment

Action: Sustain the action of the Franchise Tax Board.

Sea & L, LLC, 213225

1998, \$377.90 Claim for Refund

1999, \$276.89 Claim for Refund

2000, \$195.73 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

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Dona L. Stein, 215110

1998, \$234.00 Tax, \$100.00 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board.

Liangchu and Lichung Wang, 217175

1998, \$1,501.28 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Thomas M. and Ethel Ayako Bond, 195789

1998, \$861.00 Assessment

Action: Deny the petition for rehearing.

Dukkyu Hwang, 195046

1992, \$2,197.15 Claim for Refund

1993, \$1,306.35 Claim for Refund

Action: Deny the petition for rehearing.

Jesse J. Roth, 173546

1992, \$37,645.00 Tax, \$9,411.25 Underpayment Penalty, \$40,467.51 Interest

Action: Deny the petition for rehearing.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, CONSENT

The Board deferred consideration of the following matters: *Ofelia Ochoa*, 224771; and, *Timothy A. Payne*, 218323.

With respect to the Homeowner and Renter Property Tax Assistance Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board made the following orders:

Angele Bilemjian, 221860

2001, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Larry J. Brooks, 221556

2002, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Anthony Bunche, 221857

2002, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Ofelia Ochoa, 224771

2002, \$472.60 Claim for Credit

Action: The Board deferred consideration of this matter.

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Timothy A. Payne, 218323

2002, \$1.00 or more Claim for Credit

Action: The Board deferred consideration of this matter.

SALES AND USE TAX MATTERS, REDETERMINATIONS AND DENIALS OF CLAIMS FOR REFUND, CONSENT

The Board deferred consideration of the following matter: *Arcadia Financial, Ltd., 250051.*

With respect to the Sales and Use Tax Matters, Redeterminations and Denials of Claims for Refund, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Mandel not participating in *AT&T Capital Leasing Services, 145719*, in accordance with Government Code section 87105, Ms. Migden absent, the Board made the following orders:

ADS Monterey, Inc., 223871

4-1-00 to 11-19-02, \$54,683.49

Action: Approve the redetermination as recommended by staff.

AT&T Capital Leasing Services, 145719

1-1-96 to 12-31-98, \$1,818,952.35

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Cerberus Pyrotronics, Inc., 33746

10-1-94 to 9-30-97, \$329,815.03

Action: Approve the redetermination as recommended by staff.

CIBA Specialty Chemicals Corporation, 168680

1-1-97 to 3-31-01, \$161,934.27

Action: Approve the redetermination as recommended by staff.

Bentley Systems, Inc., 151013

4-1-97 to 3-31-00, \$63,076.77

Action: Approve the redetermination as recommended by staff.

Millipore Corporation, 166635

4-1-97 to 6-30-00, \$126,919.55

Action: Approve the redetermination as recommended by staff.

American Microsystems, Inc., 158217

10-1-91 to 12-31-97, \$121,012.63

Action: Approve the redetermination as recommended by staff.

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Rosedale Equipment Rental, Inc., 239633

10-1-92 to 6-30-96, \$133,892.26

Action: Approve the denial of claim for refund as recommended by staff.

Sensitech, Inc., 173280

4-1-99 to 12-31-99, \$115,929.00

Action: Approve the denial of claim for refund as recommended by staff.

Arcadia Financial, Ltd., 250051

7-1-01 to 12-31-02, \$210,051.23

Action: The Board deferred consideration of this matter.

SALES AND USE TAX MATTERS, REFUNDS, CONSENT

The Board deferred consideration of the following matters: *SBC Advanced Solutions, Inc., 203005*; and, *Arcadia Financial Ltd., 205682*.

With respect to the Sales and Use Tax Matters, Refunds, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Mandel not participating in *Watson Laboratories, Inc., 241000*; and, *International Business Machine Corporation, 94048*; in accordance with Government Code section 87105, Ms. Migden absent, the Board made the following orders:

Watson Laboratories, Inc., 241000

4-1-99 to 3-31-03, \$138,370.50

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Anheuser-Busch, Inc., 246218

10-1-98 to 12-31-00, \$63,127.05

Action: Approve the refund as recommended by staff.

The Designory, Inc., 209774

10-1-98 to 6-30-01, \$415,065.61

Action: Approve the refund as recommended by staff.

D. Longo, Inc., 191371

1-1-00 to 3-31-03, \$399,901.69

Action: Approve the refund as recommended by staff.

AHM CGH, Inc., 143984

7-1-98 to 3-31-02, \$321,156.48

Action: Approve the refund as recommended by staff.

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Shell Oil Company, 250005

4-1-98 to 6-30-98, \$134,313.04

Action: Approve the refund as recommended by staff.

Business Objects Americas, 239627

7-1-00 to 9-30-00, \$105,307.58

Action: Approve the refund as recommended by staff.

Westfalia Separator, Inc., 249737

7-1-02 to 9-30-02, \$66,143.36

Action: Approve the refund as recommended by staff.

Chiron Corporation, 142392

7-1-98 to 6-30-02, \$207,743.60

Action: Approve the refund as recommended by staff.

MWB Copy Products, Inc., 246465

4-1-00 to 3-31-03, \$68,733.20

Action: Approve the refund as recommended by staff.

Fasnack A.F.S., Inc., 246441

7-1-00 to 6-30-03, \$59,666.76

Action: Approve the refund as recommended by staff.

Toshiba America Information Systems, Inc., 240974

1-1-99 to 12-31-01, \$360,689.70

Action: Approve the refund as recommended by staff.

Centerpulse Dental, Inc., 138519

7-1-98 to 6-30-01, \$182,620.55

Action: Approve the refund as recommended by staff.

Lam Research Corporation, 99077

4-1-98 to 3-31-00, \$174,907.99

Action: Approve the refund as recommended by staff.

Acuson, 246430

10-1-99 to 12-31-02, \$231,873.92

Action: Approve the refund as recommended by staff.

Redwood Credit Union, 156340

10-1-98 to 12-31-02, \$275,103.71

Action: Approve the refund as recommended by staff.

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Ortho McNeil Pharmaceutical, Inc., 246431

1-1-99 to 9-30-02, \$429,115.67

Action: Approve the refund as recommended by staff.

B-Trade Services, LLC, 249647

4-1-99 to 3-31-02, \$140,361.36

Action: Approve the refund as recommended by staff.

Financial Indemnity, 215716

10-1-99 to 6-30-03, \$118,245.74

Action: Approve the refund as recommended by staff.

Edgington Transport, LLC, 241811

2-21-01, \$53,261.00

Action: Approve the refund as recommended by staff.

MV Transportation, Inc., 236561

1-22-03, \$67,144.64

Action: Approve the refund as recommended by staff.

Core-Vent Corporation, 138518

7-1-98 to 1-8-01, \$118,590.68

Action: Approve the refund as recommended by staff.

Oni Systems Corporation, 185467

4-1-99 to 3-31-02, \$2,971,118.58

Action: Approve the refund as recommended by staff.

Kamal F. Batech, 239622

7-1-99 to 6-30-02, \$62,113.69

Action: Approve the refund as recommended by staff.

Seaquist Closures, LLC, 198019

7-1-99 to 9-30-01, \$127,440.64

Action: Approve the refund as recommended by staff.

Spectrum Grafix, Inc., 105068

10-1-97 to 9-30-00, \$201,953.78

Action: Approve the refund as recommended by staff.

American Electronics Association, C.U., 233667

4-1-00 to 12-31-02, \$890,979.12

Action: Approve the refund as recommended by staff.

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Homelife Corporation, 132945

1-31-99 to 6-30-01, \$305,703.81

Action: Approve the refund as recommended by staff.

Serologicals Proteins, Inc., 211741

1-1-02 to 3-31-02, \$143,455.67

Action: Approve the refund as recommended by staff.

South Bay Motors, LLC, 221053

4-1-00 to 3-31-03, \$57,807.17

Action: Approve the refund as recommended by staff.

SBC Advanced Solutions, Inc., 203005

10-1-00 to 6-30-01, \$5,510,965.00

Action: The Board deferred consideration of this matter.

Icrest International, LLC, 238388

1-1-02 to 6-30-03, \$57,100.38

Action: Approve the refund as recommended by staff.

Unaxis USA, Inc., 250045

1-1-94 to 12-31-01, \$335,586.40

Action: Approve the refund as recommended by staff.

Dynamic Details, Inc., 206930

10-1-99 to 12-31-00, \$53,443.28

Action: Approve the refund as recommended by staff.

3M Company, 143597

7-1-98 to 12-31-01, \$624,600.41

Action: Approve the refund as recommended by staff.

International Business Machine Corporation, 94048

1-1-96 to 9-30-00, \$221,905.50

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Saks & Company, 117113

7-1-99 to 12-31-00, \$1,189,729.82

Action: Approve the refund as recommended by staff.

Saks & Company, 117116

7-1-99 to 12-31-00, \$50,626.63

Action: Approve the refund as recommended by staff.

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BAE System Mission Solutions, Inc., 213802

1-1-02 to 9-30-02, \$74,387.94

Action: Approve the refund as recommended by staff.

Thomas Anthony Beck, 166399

1-1-99 to 12-31-00, \$52,610.99

Action: Approve the refund as recommended by staff.

Kinecta Federal Credit Union, 165076

1-1-99 to 12-31-02, \$592,387.16

Action: Approve the refund as recommended by staff.

RWC Leasing Corporation, 219546

7-1-99 to 12-31-02, \$486,895.62

Action: Approve the refund as recommended by staff.

Arcadia Financial Ltd., 205682

4-1-00 to 12-31-02, \$4,283,589.74

Action: The Board deferred consideration of this matter.

American River Healthpro Credit Union, 197715

4-1-98 to 6-30-01, \$84,842.33

Action: Approve the refund as recommended by staff.

SPECIAL TAXES MATTERS, REFUNDS, CONSENT

With respect to the Special Taxes Matters, Refunds, Consent Agenda, upon a single motion of Mr. Chiang, seconded by Mr. Leonard and unanimously carried, Mr. Parrish, Mr. Leonard and Mr. Chiang voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Ms. Migden absent, the Board made the following orders:

BC Life & Health Insurance Company, 195725

1-1-98 to 12-31-00, \$57,300.36

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

PROPERTY TAX MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

With respect to the Property Taxes Matters Not Subject to Contributions Disclosure Statute Agenda, upon a single motion of Mr. Chiang, seconded by Mr. Leonard and unanimously carried, Mr. Parrish, Mr. Leonard and Mr. Chiang voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Ms. Migden absent, the Board made the following orders:

Wednesday, February 18, 2004

Unitary Escaped Assessments**Star Telecom Network, Inc. (7751)**

2003, \$349,000.00 Unitary Value, \$34,900.00 Penalty

Action: Adopt unitary escaped assessment as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Aleron Broadband Services, LLC (7974)

2003, \$306,000.00 Unitary Value, \$30,600.00 Penalty

Action: Adopt unitary escaped assessment as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Audit**Bitro Telecommunications, Inc. (7826)**

2000-2003, \$459,000.00 Excessive Assessment, \$60,000.00 Penalty, \$189,000.00 In-lieu Interest

Action: Adopt the excessive assessment, penalty and in-lieu interest as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

LEGAL APPEALS MATTERS, ADJUDICATORY**Office Furniture L.A., Inc., 140910**

1-1-98 to 6-30-00, \$00.00, \$17,566.59 Fraud Penalty

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: No disqualifying contributions were disclosed.

Action: Mr. Parrish moved to reduce the fraud penalty to negligence, otherwise redetermine as recommended by the Appeals Division. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Mr. Chiang and Ms. Mandel voting no, Ms. Migden absent.

The Board deferred consideration of this matter to the next Sacramento Board meeting.

McDonnell Douglas Corporation, 106386

1-1-95 to 12-31-97, \$1,963,420.55

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: No disqualifying contributions were disclosed.

Action: Mr. Leonard moved to grant the petition. The motion was seconded by Mr. Parrish but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Mr. Chiang and Ms. Mandel voting no, Ms. Migden absent.

The Board deferred consideration of this matter to the next Sacramento Board meeting.

Wednesday, February 18, 2004

PUBLIC COMMENT

Debbie Pellegrini, Chief of Board Proceedings Division, announced speakers on the matter of *OII Third Partial Consent Decree Cash Account Escrow, 139239*.

Speakers: Stanley E. Heyman, Attorney, Jackson, DeMarco & Peckenpaugh, spoke in favor of granting the appeal, stating that the interest income earned by the appellant, a cash escrow account, should not be taxable in California.
Daniel Biedler, Tax Counsel, California Franchise Tax Board, spoke against granting the appeal.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

OII Third Partial Consent Decree Cash Account Escrow, 139239

12-31-92, \$2,843.00 Tax, \$1,421.50 Penalties

12-31-93, \$9,558.00 Tax, \$4,779.00 Penalties

12-31-94, \$12,067.00 Tax, \$6,033.50 Penalties

12-31-95, \$28,707.00 Tax, \$14,353.50 Penalties

12-31-96, \$36,273.00 Tax, \$18,136.50 Penalties

12-31-97, \$37,007.00 Tax, \$18,503.50 Penalties

Considered by the Board: September 11, 2003

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Ms. Mandel moved to grant the petition. Mr. Leonard seconded the motion.

Ms. Mandel withdrew her motion.

The Board deferred consideration of this matter to later in the day.

A-C Compressor Corporation, 192031

1992, \$56,483.00 or more Claim for Refund

1993, \$124,232.00 or more Claim for Refund

Dover Corporation, 192551

1992, \$228,265.00 or more Claim for Refund

Novacap, Inc., 192556

1993, \$57,044.00 or more Claim for Refund

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Mr. Leonard moved to abate the interest, otherwise sustain the action of the Franchise Tax Board. The motion was seconded by Mr. Parrish but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Mr. Chiang and Ms. Mandel voting no, Ms. Migden absent.

The Board deferred consideration of this matter to the next Sacramento Board meeting.

Benjamin E. James, Jr., 216390

1996, \$3,981.00 Claim for Refund

1997, \$995.00 Claim for Refund

Considered by the Board: January 27, 2004

Wednesday, February 18, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Mr. Leonard and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board adopted a decision sustaining action of the Franchise Tax Board.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, ADJUDICATORY

Karen E. Langdon, 221490

1999, \$240 Claim for Credit

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from this taxpayer, her agent or participants.

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board adopted a decision reversing the action of the Franchise Tax Board.

Moysey Gekhtberg, 216008

2002, \$265.00 Claim for Credit

Riva V. Alsher, 220971

2002, \$347.50 Claim for Credit

Revekka Berkovskaya, 220748

2002, \$347.50 Claim for Credit

Bronya Broymtan, 220845

2002, \$347.50 Claim for Credit

Abram Byk, 223236

2002, \$265.00 Claim for Credit

Khaya Dayen, 220932

2002, \$347.50 Claim for Credit

Maria Dvorkina, 220915

2002, \$347.50 Claim for Credit

Yelizaveta Eydelman, 220852

2002, \$347.50 Claim for Credit

Sergey Feygelson, 220729

2002, \$275.00 Claim for Credit

Eleanor Fried, 220940

2002, \$347.50 Claim for Credit

Mikhail Gelmont, 220740

2002, \$265.00 Claim for Credit

Lylia Golenberg, 220770

2002, \$347.50 Claim for Credit

Grigoriy Grosman, 220698

2002, \$275.00 Claim for Credit

Fenya Agranovich, 220934

2002, \$347.50 Claim for Credit

Tsipa Bakman, 220918

2002, \$347.50 Claim for Credit

Ida Brichkov, 216017

2002, \$347.50 Claim for Credit

Ginda Bukrinskaya, 220962

2002, \$347.50 Claim for Credit

Iosif I. Cherner, 220965

2002, \$275.00 Claim for Credit

Semyon L. Dragunsky, 220804

2002, \$275.00 Claim for Credit

Isaak Elyashev, 216016

2002, \$250.00 Claim for Credit

Esfir Feldman, 216023

2002, \$347.50 Claim for Credit

Anna Fiterman, 220954

2002, \$347.50 Claim for Credit

Lilya Gamretsky, 220959

2002, \$275.00 Claim for Credit

Aleksandr Goldman, 220841

2002, \$275.00 Claim for Credit

Yefim D. Gorinshteyn, 220806

2002, \$275.00 Claim for Credit

Riva Gurevich, 220950

2002, \$347.50 Claim for Credit

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This case is continued from the previous page.

Irina Gzimboym, 223281
2002, \$347.50 Claim for Credit
Mikhail A. Kats, 220943
2002, \$275.00 Claim for Credit
Lisa P. Khazak, 220843
2002, \$347.50 Claim for Credit
Naum M. Kizler, 220917
2002, \$275.00 Claim for Credit
Roza Kurnovskaya, 220947
2002, \$347.50 Claim for Credit
Genya Leyfer, 220968
2002, \$347.50 Claim for Credit
Yefim Lirisman, 220786
2002, \$265.00 Claim for Credit
David Livshits, 220939
2002, \$275.00 Claim for Credit
Sofiya Manoylo 220846
2002, \$347.50 Claim for Credit
Moysey Melamud, 216018
2002, \$347.50 Claim for Credit
S. Pivchik, 220836
2002, \$312.50 Claim for Credit
Berta Radovilsky, 220967
2002, \$347.50 Claim for Credit
Lisa Radzay, 220779
2002, \$347.50 Claim for Credit
Rozaliya V. Ronina, 220844
2002, \$347.50 Claim for Credit
Etya Rozenberg, 216019
2002, \$275.00 Claim for Credit
Yevgenia Rubin, 220974
2002, \$347.50 Claim for Credit
Rakhil Rudyak, 216025
2002, \$347.50 Claim for Credit
Mevta Sapozhnikova, 223276
2002, \$347.50 Claim for Credit
Genya Shapiro, 220733
2002, \$347.50 Claim for Credit
Abram Shilman, 220849
2002, \$275.00 Claim for Credit
Valentin Shrayer, 220933
2002, \$250.00 Claim for Credit

Sofia Itina, 220948
2002, \$347.50 Claim for Credit
Sarra Kertsman, 220946
2002, \$347.50 Claim for Credit
Basya Khusid, 223275
2002, \$347.50 Claim for Credit
Yevdokiya Kreymer, 220706
2002, \$275.00 Claim for Credit
Rasya Lesova, 223291
2002, \$347.50 Claim for Credit
Taisa Liakhovetskaia, 223286
2002, \$347.50 Claim for Credit
Bronya Livshits, 220832
2002, \$347.50 Claim for Credit
Anna Lukatskaya, 220761
2002, \$347.50 Claim for Credit
Vulf Margolin, 220942
2002, \$265.00 Claim for Credit
Victor Nessis-Gorsky, 220697
2002, \$265.00 Claim for Credit
Zinaida Rabzinovich, 223369
2002, \$347.50 Claim for Credit
Ida M. Radovolsky, 220973
2002, \$347.50 Claim for Credit
Khasya Ravkina, 220709
2002, \$347.50 Claim for Credit
Yevgenya Rotiner, 220970
2002, \$347.50 Claim for Credit
Alexander Rubin, 220842
2002, \$347.50 Claim for Credit
Maria Rudezman, 220775
2002, \$347.50 Claim for Credit
Grigory Sandler, 220769
2002, \$275.00 Claim for Credit
Zina Shalat, 220972
2002, \$347.50 Claim for Credit
Ananiy Shayeovich, 220771
2002, \$347.50 Claim for Credit
Iren Shkurovich, 220931
2002, \$347.50 Claim for Credit
Yakov Shrayer, 223245
2002, \$275.00 Claim for Credit

Wednesday, February 18, 2004

This case is continued from the previous page.

Ludmila Shushpanova, 223294

2002, \$347.50 Claim for Credit

Berta Soboleva, 223274

2002, \$347.50 Claim for Credit

Valya Tendler, 216024

2002, \$347.50 Claim for Credit

Vladimir Tverdokhlebov, 220747

2002, \$265.00 Claim for Credit

Zelman Vaynblat, 223244

2002, \$347.50 Claim for Credit

Irina M. Vernik, 220837

2002, \$347.50 Claim for Credit

Fanya Virina, 220714

2002, \$347.50 Claim for Credit

Burykh Voldman, 220710

2002, \$265.00 Claim for Credit

Nadia Yuzova, 223277

2002, \$347.50 Claim for Credit

Anna Zinger, 220830

2002, \$347.50 Claim for Credit

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: Not all contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from these taxpayers, their agent or participants.

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board adopted a decision modifying the action of the Franchise Tax Board in the matter of *Lilya Gamretsky, 220959*, and sustaining the action of the Franchise Tax Board with regards to the remaining claims.

Shendel Shvartsman, 220822

2002, \$347.50 Claim for Credit

E. Szasz, 220938

2002, \$347.50 Claim for Credit

Bentsion K. Tepermeyster, 223273

2002, \$275.00 Claim for Credit

Filipp Ulitskiy, 220833

2002, \$347.50 Claim for Credit

Yeva Vaysman, 216022

2002, \$347.50 Claim for Credit

Sofiya Vinokur, 220783

2002, \$347.50 Claim for Credit

Basia Volder, 220722

2002, \$347.50 Claim for Credit

Yefim Yusim, 220777

2002, \$275.00 Claim for Credit

Yaroslav Zayats, 223348

2002, \$275.00 Claim for Credit

SALES AND USE TAX MATTERS, RELIEF OF PENALTY, ADJUDICATORY

Baxter Healthcare Corporation, 236381

7-1-02 to 12-31-02, \$122,866.00

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: The Board deferred consideration of this matter

Pratt & Whitney Power Systems, Inc., 246470

7-1-99 to 9-30-02, \$56,589.59

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: The Board deferred consideration of this matter

Wednesday, February 18, 2004

Borders, Inc., 246251

7-1-03 to 7-31-03, \$171,949.74

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: The Board deferred consideration of this matter

CHIEF COUNSEL MATTERS

PROPERTY TAXES MATTER NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

Board Consideration of Findings and Decision

Kristine Cazadd, Assistant Chief Counsel, Property Tax Division, Legal Department, made introductory remarks regarding the approval of the Findings and Decision.

High Desert Power Trust (1127), 224484

2003, \$429,600,000.00 Unitary Value

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Leonard and Ms. Mandel voting yes, Ms. Migden absent, the Board approved the Findings and Decision as recommended by staff.

RULEMAKING

Section 100 Change to Sales and Use Tax Regulation 1525.2, Manufacturing Equipment

Janice Thurston, Assistant Chief Counsel, Legal Department, made introductory remarks regarding the request for authorization to amend Regulation 1525.2, Manufacturing Equipment, in accordance with Title 1, California Code of Regulations, section 100, to reflect the expiration as of January 1, 2004, of the partial exemption provided under Revenue and Taxation Code section 6377 (Exhibit 2.5).

Action: Mr. Chiang moved to adopt the amendment to Regulation 1525.2, Manufacturing Equipment, but no vote was taken.

The Board deferred consideration of this matter.

Section 100 Change to Sales and Use Tax Regulation 1525.3, Manufacturing Equipment—Leases of Tangible Personal Property

Janice Thurston, Assistant Chief Counsel, Legal Department, made introductory remarks regarding the request for authorization to amend Regulation 1525.3, Manufacturing Equipment—Leases of Tangible Personal Property, in accordance with Title 1, California Code of Regulations, section 100, to reflect the expiration as of January 1, 2004, of the partial exemption provided under Revenue and Taxation Code section 6377 (Exhibit 2.6).

Wednesday, February 18, 2004

Action: Mr. Chiang moved to adopt the amendment to Regulation 1525.3, *Manufacturing Equipment—Leases of Tangible Personal Property*, but no vote was taken.
The Board deferred consideration of this matter.

Mr. Parrish requested that the Governor's Executive Order S-2-03, issued November 17, 2003, be considered before sending any regulatory changes forward.

ADMINISTRATIVE SESSION

OFFERS IN COMPROMISE RECOMMENDATION

Jean Ogrod, Acting Chief Counsel, made introductory remarks regarding the Offers in Compromise Recommendation.

Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board approved the Offers in Compromise of *Roger and Judith McNeil*.

APPROVAL OF 2004-05 FINANCE LETTERS TO BE SENT TO THE DIRECTOR OF FINANCE

Timothy W. Boyer, Interim Executive Director, requested the Board remove Finance Letter No. 2, *Alternative Cigarette Tax Stamps (Placeholder)*, and Finance Letter No. 3, *SB20 – Electronic Waste Recycling Act of 2003*, from the agenda. The Board approved the request to remove the two items.

Raye Zentner, Deputy Director, Administration Department, made introductory remarks regarding the approval of 2004-05 finance letters to be sent to the Director of Finance (Exhibit 2.7).

Speakers: Ed Manning, Advocate for SICPA, Manning Advocates LLC, expressed his concerns associated with complying with the bidding process with regards to the cigarette tax stamp contract.

The Board Members requested that staff talk with Assembly Member Horton on AB 71 to verify whether funding is available.

Mr. Parrish requested this finance letter be revisited at a future meeting, and wants it implemented by January 1, 2005.

Mr. Leonard requested staff to go back to the Department of General Services to research whether there is a way to protect contract bidders.

Upon motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board approved the proposal to provide funding for AB 1666.

Wednesday, February 18, 2004

Upon motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board approved the proposal to provide funding for Department of Motor Vehicles increase.

Upon motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board approved the proposal to provide funding for Department of Justice increase.

The Board approved Mr. Leonard's request that Finance Letter No. 1, *Cumulative Impact of Recent Reductions* (the proposal to restore funding for personal services budget reductions), be revised and brought back to the March Culver City Board meeting.

ADMINISTRATIVE MATTERS, CONSENT

Ms. Mandel stated for the record that the December 4, 2003 minutes contained typographical errors on pages 13 and 14 and requested that the Board approve the corrections to the minutes.

Upon motion of Mr. Parrish, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board approved the correction to the December 4, 2003 minutes.

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden absent, the Board made the following orders:

Action: Approve the Board Meeting Minutes of November 18-19, and December 4, 2003.

Action: Approve the Timber Advisory Committee Membership (Exhibit 2.8).

Action: Approve the of 2003-04 Sustained Superior Accomplishment Award Nominees (Exhibit 2.9).

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

OII Third Partial Consent Decree Cash Account Escrow, 139239

12-31-92, \$2,843.00 Tax, \$1,421.50 Penalties

12-31-93, \$9,558.00 Tax, \$4,779.00 Penalties

12-31-94, \$12,067.00 Tax, \$6,033.50 Penalties

12-31-95, \$28,707.00 Tax, \$14,353.50 Penalties

12-31-96, \$36,273.00 Tax, \$18,136.50 Penalties

12-31-97, \$37,007.00 Tax, \$18,503.50 Penalties

Considered by the Board: September 11, 2003

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Wednesday, February 18, 2004

Action: Upon motion of Ms. Mandel, seconded by Mr. Leonard and duly carried, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Mr. Parrish voting no, Ms. Migden absent, the Board granted the appeal.

Mr. Chiang adjourned the meeting at 2:45 p.m. in the memory of Jeanne Honda, wife of Congressman Mike Honda; Earl Hutchinson, Sr., oldest black American ever to write his autobiography; and, Donald Brewster, Field Representative for State Senator Jack Scott.

The foregoing minutes are adopted by the Board on May 25, 2004.

Note: The following case was removed from the calendar prior to the meeting: *Raffi Ohanes Sepetjian, 195054*.